

### Check Distribution Internal Controls

As a part of improved internal controls, Accounting Services Accounts Payable is discontinuing the distribution of checks via campus mail and significantly modifying the process of departments picking up checks in Accounts Payable. We need to ensure that checks are delivered directly to the payee. Accounting Services has been actively pursuing changing all vendors to be paid via ACH.

Below is a list of current check distribution processes that need to be changed, followed by alternatives.

<p>Checks sent via Campus Mail to payee's campus address</p>	<p>Accounts Payable staff mails check via US mail to payee's campus address  Or  Check picked up by payee in Accounts Payable office, 21 N. Park St. Ste 5301</p>
<p>Checks sent via campus mail to a centralized department or division address, or are labelled 'care of' or 'attention'  Or  Checks picked up by couriers</p>	<p>Accounts Payable staff mails check via US mail to payees campus address or non campus address  Or  Check picked up by payee in Accounts Payable office, 21 N. Park St. Ste 5301  Or  Checks picked up by a full time UW employee (not a courier) who has completed a check custody agreement (More instructions below)</p>
<p>Checks that need to be mailed with other documents, currently picked up by courier or department representative</p>	<p>Provide up to a 70 character payment message to Accounts Payable with invoice or payment request. This message appears on the check remittance stub to explain the payment. Accounts Payable staff mails check via US mail  Or  Submit attachment to be sent with the check to Accounts Payable office with invoice or payment request. Accounts Payable staff mails check and attachment via US mail  Or  Checks are picked up by a full time UW employee (not a courier) who has completed a check custody agreement (More instructions below)</p>
<p>Non-employee e-reimbursement checks mailed to a campus address</p>	<p>Set up non-employee profile with the payee's home address. Accounts Payable staff mails check via US mail</p>
<p>Checks to be distributed to students as a scholarship, prize or award.</p>	<p>Present the student with a certificate</p> <p>Payments can be processed through the Bursar's Scholarship upload, HRS lump sum employee payment, or Accounts Payable, based on published criteria on payments to students.</p> <p>Payments processed through Accounts Payable can be mailed to the student's home address via US Mail or picked up by payee in Accounts Payable office, 21 N. Park St. Ste 5301</p>

## **Check Custody Agreement**

If a check must be picked up by someone other than the payee, Accounting Services must have a Check Custody Agreement signed by the check custodian, optional custodian alternate, and the division CFO or Finance Director. This agreement identifies the check custodian and alternate (hereafter referred to as "check custodian") who will be responsible for the safe keeping of the checks until they are distributed.

Accounting Services will release the check(s) and a check distribution log to the check custodian. Checks will only be distributed to check custodians, who must bring a valid photo ID and sign for the check. Once in the division or department, the check custodian must account for all checks and keep them in a locked safe or secure area, accessible only to the check custodian until distribution.

When checks are distributed by the custodian, the payee must sign and date the check distribution log, indicating they have taken possession of the check. If the check custodian mails out the check(s), they will sign and date the log at that time. Check distribution logs will be returned to Accounting Services within 30 days of the date on the check.